

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: September 27, 2010

CALLED TO ORDER: 5:31 p.m.

ADJOURNED: 6:44 p.m.

ATTENDANCE

Attending Members

Janice McHenry, Chair
Paul Bateman
Virginia Cain
Jeff Cardwell
Jose Evans
Brian Mahern
Dane Mahern
Michael Speedy

Absent Members

Angel Rivera

AGENDA

BUDGET HEARING

Department of Code Enforcement

METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Monday, September 27, 2010. Chairwoman Janice McHenry called the meeting to order at 5:31 p.m. with the following members present: Ginny Cain, Jeff Cardwell, and Dane Mahern. Paul Bateman, Brian Mahern, Jose Evans, and Michael Speedy arrived shortly thereafter. Angel Rivera was absent. Jim Steele, Chief Financial Officer for the Council, was also present.

BUDGET HEARING

Department of Code Enforcement

Rick Powers, Director of the Department of Code Enforcement (DCE), and Janice Mitchell, Chief Financial Officer (CFO), explained the Budget presentation for DCE, which is attached as Exhibit A. Some key points are:

- DCE is a self-sustaining user fee supported department that depends wholly on revenues garnered from licensing, permitting, and compliance user fees. DCE receives zero tax dollars.
- Some departmental accomplishments include: Implemented Accela, the land management system, which allows DCE to communicate and share information with various departments of government, and lays the foundation for increased public access.
- The Nuisance Abatement section has initiated 8 multi-agency sweeps (4 licensing, 4 neighborhoods) and has held over 3,600 administrative hearings through August 31, 2010 related to vehicles, unsafe buildings, High Weed and Grass (HWG), and business licensing.
- Over 400 legal cases have been referred to the Office of the City Prosecutor.
- DCE has improved oversight the Unsafe Building Program via a revised Inter-local Agreement with Marion County Health Department to reduce timelines, increase transparency, and provide better cases to the Office of the City Prosecutor.
- The Division of Administration, Logistics, Licenses and Permits has implemented measurements for Permit Lobby Customer Wait Times using the new Accela software.
- DCE has instituted a rebate for Green Buildings which became effective August 1, 2010. This can equate to a refund of up to a 50% of the permit fees for building construction projects that qualify under the Green Building Program Incentive. This policy was created in partnership with the Office of Sustainability.
- DCE has reinstated the 50% discount for not for profit organizations related to the Improvement Location Permit.
- Permitting staff have issued 22,573 permits through August 31, 2010, an increase of 1,133 permits over 2009.
- As of August 31, 2010, there have been nearly 72,000 completed inspections. You see a more detailed breakout of those efforts here as well.

- The tip of the spear for our department's 24/7 emergency response roles has conducted 37 investigations for potential emergency conditions, resulting in 18 emergency demolitions.
- During 2011 DCE will realign staff and resources to create more efficient bureaus, and hire additional staff to normalize inspection times on zoning investigations and other bureaus
- DCE plans to protect the taxpayer from increasing property insurance rates by working with the Insurance Services Office (ISO) and participating in an evaluation of services.

Mr. Powers said that he wanted to thank the committee for allowing DCE to come and present the propose 2011 budget. He said that this is their first true budget since undergoing an extensive review of all accounting processes within the department, a budget that balances resources and allows DCE to normalize operations. Mr. Powers introduced some of the DCE executive leadership who play key roles in their initiatives to improve the quality of life of the citizens of Indianapolis. He said that the DCE came into existence on January 1, 2010 with overwhelming support, and they are appreciative. DCE began work with a clear realization of the need and with the leadership of Mayor Ballard. He said that the Mayor became aware early on in his administration that multiple agencies of local government undertook licensing, permitting, inspecting, and related abatement functions. Also realizing that protecting neighborhoods starts with code enforcement, Mayor Ballard set DCE on a new course of moving critical quality of life functions under the control of this department. DCE is still moving through department building tasks methodically by measuring the inefficiencies of programs and duties of agencies that have been assimilated via Six Sigma analysis, the High Performance Government team studies, and using an accounting firm conducting a wall-to-wall review of the revenues relative to services. They have also been working diligently with stakeholders and the Board of Code Enforcement on right sizing the department to provide the services that citizens expect and deserve. Mr. Powers said DCE has taken on the role of putting services and compliance costs upon the entity or party that creates the specific need and removed the financial burden from the tax payers of our city; hence, freeing up those funds for public safety and the greater good of our citizens. He said they are finding this to be efficiency gained, and a great improvement to the business of government that citizens expect of us as stewards of their interests. He said that they had nine months of meetings with stakeholders and the Council that led to the Council approving an updated user fee schedule that contemplated a wall-to-wall fee analysis to right-size DCE's fees so that they accurately reflect the Department's true cost to perform a service. Mr. Powers said they have changed recording methods to reduce costs; provided inspection results online for public access; updated demolition criteria to provide more detailed guidance to Marion County Health Department inspectors and to allow DMD to demolish more buildings. He said they are also fortunate enough to have offered review and fulltime onsite services during the recent Fuller Legacy Build project. He said that the division has partnered with other city and county agencies to conduct business license sweeps involving taxicabs, dispatch facilities, and massage parlors.

The taxicab sweeps revealed that 30 percent of vehicles inspected were non-compliant with the code. DCE has also since instituted a passenger bill of rights for taxi patrons. The massage parlor sweep resulted in several prostitution arrests and various zoning, fire, and health code violations. Mr. Powers said that the High Weeds and Grass (HWG) abatement efforts noted another bumper crop this year. They surpassed 2009's accomplishments on every level, as of September 21st, DCE inspectors have conducted over 15,000 HWG investigations and vendors have mowed over 9,400 properties. He said that are already planning for the 2011 season. DCE is analyzing every aspect of this program to improve even further. He said that it is a resource intensive labor of love and they need to continually review the program for ways to reduce its impact on other functions of the department. Mr. Powers said that they will continue compliance efforts for business licensing, including such measures as regular business license sweeps, and also continue to identify and develop nuisance cases for referral to the Office of the City Prosecutor. Mr. Powers said that the wall to wall analysis of fiscal needs provided an opportunity to validate and propose adjusting those user fees commensurate to the services provided per Indiana's Home Rule law that are now depicted for the Councils consideration in this budget. He said to accomplish this task they enlisted the services of an actuarial accounting firm. Their analysis and the tool provides for accounting practices to within one quarter hour intervals for every process undertaken within DCE, and includes applying tables containing, professional versus non professional, management versus non management, union versus non union, entry, mid level or long tenured pay rates for labor, and any associated indirect costs such as legal support, fleet, fuel, facilities, and contracts. It also factors in a consumer price index to adjust and address inflationary impacts. With this tool and the CFO's talents, subject to the Controller's approval, DCE will make reports to the committee that provides insight into the fiscal viability every two years. This method of reporting will allow DCE to routinely forecast needs and set user fee schedules at levels that support services, and not allow them to lie dormant for decades after an adjustment or establishment of a new user fee, or even after a service becomes obsolete. DCE has a means to show its true costs at a glance. For instance, not only are the costs and fees competitive, they are lower on a regional and national scale. DCE related operations represent less than 1 percent of the market value of the buildings being constructed, and that one percent investment represents the protection of insurance rates for those buildings. He said that the main point of the presentation is the cost to normalize DCE responsibilities via the user fees that have already been approved. He said that after months of assessing DCE costs of services, refining fees to be sensible, and incorporating input from nearly 100 meetings with stakeholders from business, construction industries, neighborhood leadership, and Councillors, they believe we have arrived at reasonable budget that balances the resources needed by DCE to provide effective and quality services to the citizens of Indianapolis.

Chairwoman McHenry asked if there was any type of comparison on collections on HWG from last year. Mr. Powers said that they don't have any data because last year they were in the process of becoming a department.

Councillor B. Mahern asked how current collections on HWG are. Ms. Mitchell said that the collection rate is approximately 35 percent and they have a seven percent compliance rate. She said that they have already collected \$825,000 this year through the most recent tax bill and voluntary compliance. Councillor B. Mahern asked if there is any accounting on the fact that some of the fees may never be collected. Mr. Powers answered in the affirmative. He said that they do contemplate none payment

Councillor B. Mahern asked for sense of the modifications that will be made to the special events ordinance that are contemplated for the super bowl. Adam Collins, Administrator DCE, said that there is a chapter that deals with sidewalk carts and special events the modifications will start at that point. He said that they will be dealing with signage, parade, and mobile food cart modifications. He said that there are about 10 different chapters that would be affected by these modifications. Councillor B. Mahern asked if DCE is on any of the super bowl planning committees. Mr. Powers answered in the affirmative. He said that they are on sub-committees.

Councillor B. Mahern asked how much DCE is charged to record documents. Ms. Mitchell said that historically it has been \$75,000 and it includes recording for unsafe building, repair orders and HWG.

Councillor Evans referring to line item 309 in technical service, asked what all is included in this line item. Ms. Mitchell said that there is multiple services included in this line item. She said it includes security services, recording fees, rental, and much more. Councillor Evans asked is included in the Management Contract line item. Ms. Mitchell said that this is the line item for the net revenue for abandon vehicles.

Councillor D. Mahern asked why there is a decrease in postage and stamps. Ms. Mitchell said that they do a lot more online and that is the reason for the decrease.

Councillor Evans asked what the promotional funding will be used for. Mr. Powers said a lot of what they are doing requires public education.

Councillor Cardwell said that it is not too often that an agency is completely ran by user fees and no tax dollars.

Councillor Speedy asked what the decrease in the contracts is related to. Ms. Mitchell said that it is related to the towing agreement. She said that they are doing a city wide towing contract agreement. Councillor Speedy asked which department the new contract will be in. Mr. Powers said that it is currently in DCE and the difference will be instead of have several contracts there will only be one contract for all towing agencies. Councillor Speedy asked what is done with abandon vehicles when the city takes them. Johnny Guest, Assistant Administrator, Inspection Services, said that once the City tows the vehicle they try to notify the owner registered to the vehicle. He said they try to collect the fees and if they do not succeed then the vehicles are sent to an auction and if the vehicle's worth is below a certain amount then by State Statute the City can dispose of the vehicle and the fees go into the abandon vehicle program.

Councillor Bateman asked how the HWG program works. Mr. Guest said that it starts with a call into the Mayors Action Center (MAC) or some DCE inspectors sees a property has high weeds and grass which is 12 inches or higher of vegetation on a property that not maintained, DCE will send a notice of violation to the property owner that is last listed on the current Assessors record. He said that they allow five calendar days for the property owner to abate that environmental nuisance and if they don't, on the sixth day it is referred to their vendor. The vendor is under contract to get to that property within five days to mow the property. He said that the average time of the process from start to finish is about 17 days.

Chairwoman McHenry asked if the property owners flower beds are included in this process or would have the same reaction if in violation. Mr. Guest answered in the affirmative. Mr. Guest said that property owners are required to maintain everything within their property line.

Councillor B. Mahern asked if City agencies are charged if they are not in compliance. Mr. Powers said that they are not charged. He said that he would call the agency and let them know that there grass needs cut and they will take care of it. He said that this also apply to Railroads, the State, and the Federal Government. He said that they are not allowed to charge a fee to anyone that is bigger than the City. He said that they do call these entities regularly and inform them of problems.

Norm Pace, Marion County Alliance of Neighborhood Associations (MCANA), asked why DCE was asked to cut back on the fee analysis. Mr. Powers said that their fees were reduced based on the actuarial accounting firm, the stakeholders and the public. He said that they had to look at what is realistic. He said that they had to change some of the structures of the fees to make them work for DCE. He said the first release of the fee costs did not include the meetings with the public and the stakeholders and it looked like an inflated cost until they had the hundreds of meetings with stakeholders to arrive at what they believe is a real cost. Mr. Pace asked how often fees will be adjusted. Mr. Powers said that they will report to this committee every two years to determine if fees need to be adjusted.

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With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 6:44 p.m.

Respectfully submitted,

Janice McHenry, Chair
Metropolitan Development Committee

JM/rjp

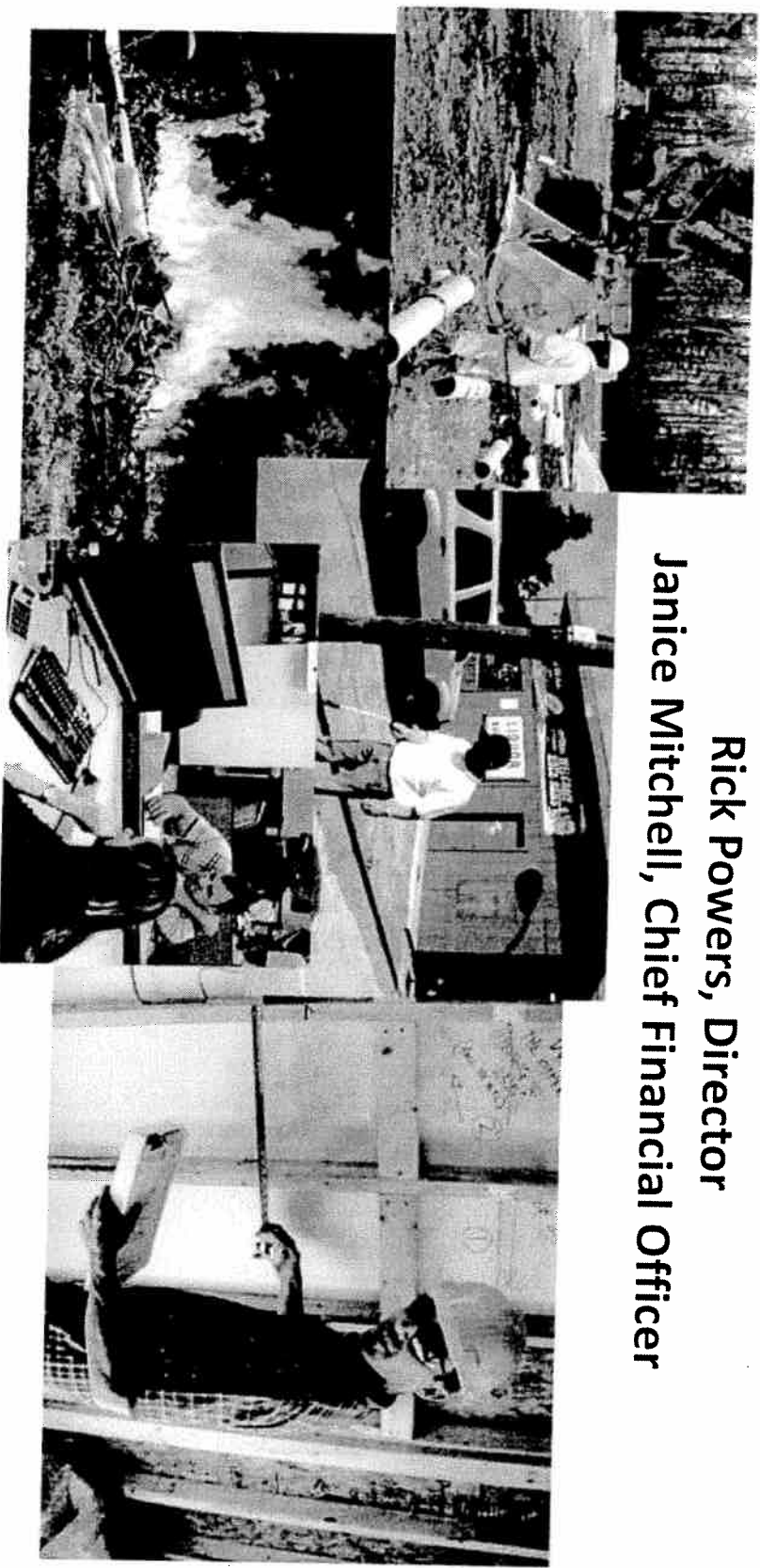


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2011 Budget Presentation Department of Code Enforcement

September 27, 2010

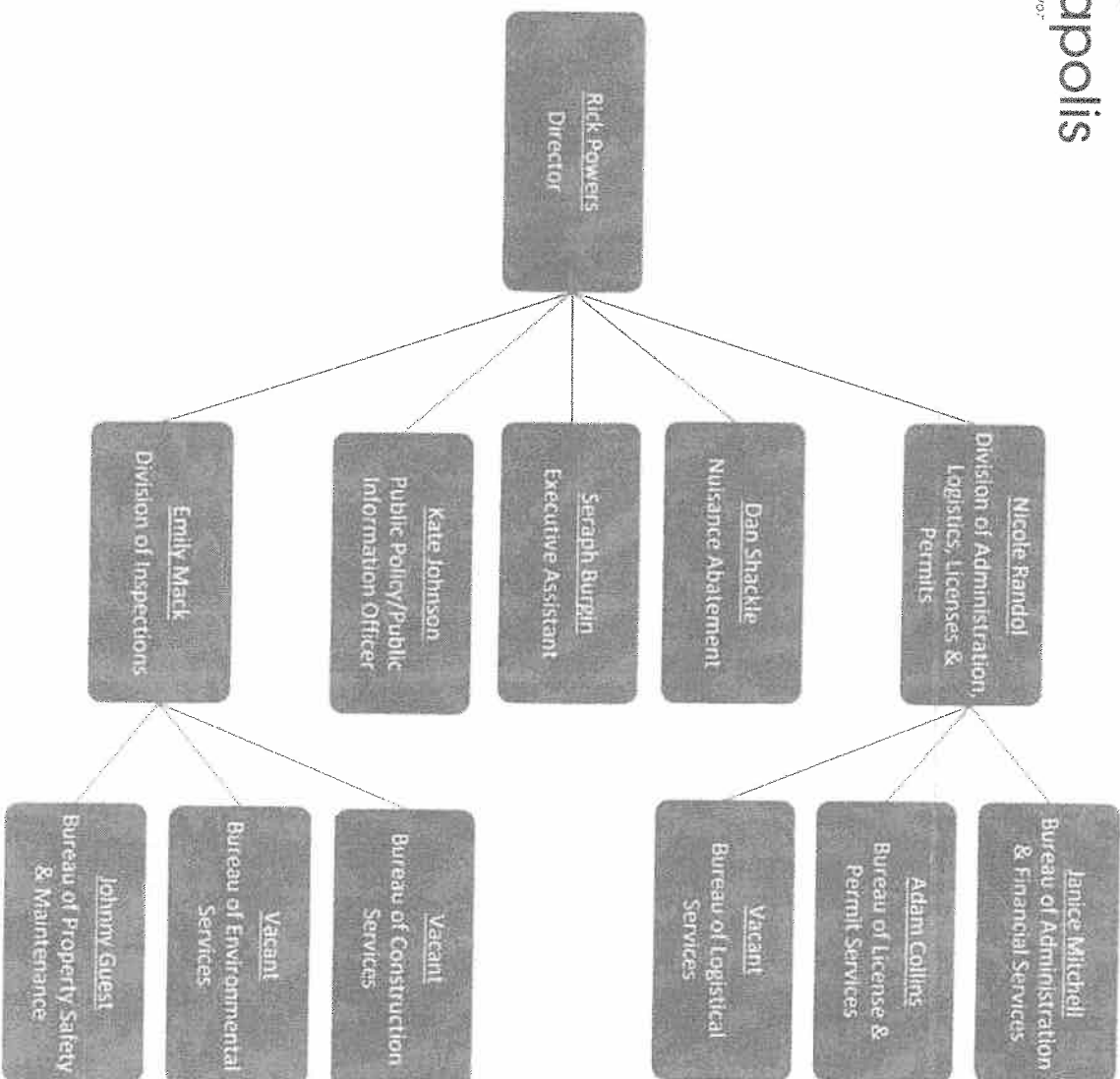
**Rick Powers, Director
Janice Mitchell, Chief Financial Officer**





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Department of Code Enforcement





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Department of Code Enforcement

- Protect the taxpayer from increasing property insurance rates
- Shift the costs for services from taxpayer subsidies to user fees
- Implement effective enforcement measures which have historically been strained due to a decentralized code enforcement structure



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Department of Code Enforcement

Department Accomplishments Thus Far...

- **Implemented Accela, an updated land management software system-** Accela allows DCE to communicate and share information with Department of Metropolitan Development (DMD), Marion County Health Department (MCHD), Indianapolis Historic Preservation Commission (IHPC), and the Office of Corporation Counsel (OCC). In addition, the system lays the foundation for increased public access, better tracking and measurement of cases, and easier communication among other city systems.
- **Updated user fees-** Completed a wall-to-wall fee analysis to “right-size” DCE’s fees so that they accurately reflect the Department’s true cost to perform a service.
- **Nuisance Abatement -**The nuisance abatement section is responsible for the oversight of the unsafe building program, coordination of multi-agency sweeps and DCE legal functions. Nuisance abatement has conducted 8 multi-agency sweeps (4 licensing, 4 neighborhood) and has held over 3,600 administrative hearings through August 31, 2010. Over 400 legal cases have been referred to the Office of the City Prosecutor.
- **Improved Unsafe Building Program Management-** Changes to the Unsafe Building Program since DCE has been responsible for oversight include: adopting a revised Inter-local Agreement with Marion County Health Department to reduce timelines, increase transparency, and provide better cases to the Office of the City Prosecutor; changes in recording methods to reduce costs; providing inspection results online for public access; updating demolition criteria to provide more detailed guidance to Marion County Health Department inspectors and to allow DMD to demolish more buildings.



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Division of Administration, Logistics, Licenses and Permits Accomplishments

"Provides strategic application of civil code regulation through effective oversight of business and construction industries, urban forest practices, and fiscal and administrative services."

- **Measuring Permit Lobby Customer Wait Times**- With the implementation of Accela software, a new tool was created to track lobby wait times experienced by customers seeking building permits and related information.
- **Green Building Rebate**- Effective August 1, 2010, DCE offers up to a 50% rebate of permit fees for building construction projects that qualify under the Green Building Program Incentive. The policy was created in partnership with the Office of Sustainability.
- **Conducted business license sweeps**- Partnered with other city and county agencies, such as MCHD, IMPD and the Office of the City Prosecutor to conduct 4 sweeps (taxicabs, dispatch facilities, and massage parlors). Taxicab sweeps showed that 30% of vehicles inspected were non-compliant with Code, while the massage parlor sweep resulted in several prostitution arrests and various zoning, fire, and health code violations.
- **Pre-Permit Plan Review**- From the implementation date through August 31, 2010, 259 Class 1 reviews have been performed. By providing thorough, professional, and comprehensive review of construction plans, potential violations can be identified during a plan review as opposed to in the field.
- **Permits**- Issued 22,573 permits through August 31, 2010, an increase of 1,133 permits over 2009.



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Division of Inspections Accomplishments

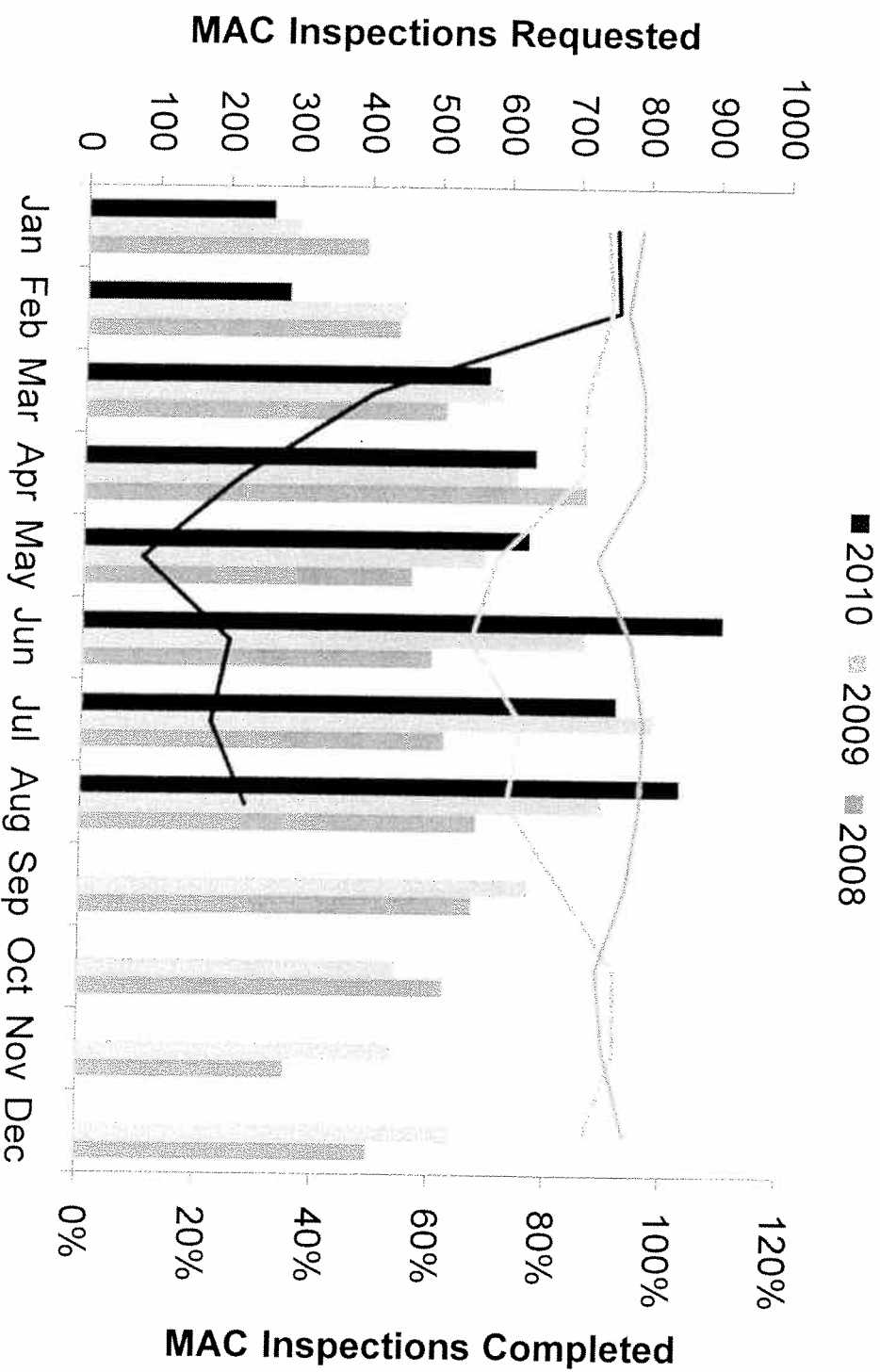
"Provides strategic application of civil code regulation through effective inspection, enforcement and abatement services."

- **Inspections-** The Division of Inspections is responsible for performing inspections related to various zoning and land use issues, building construction, and more. As of August 31, 2010, there have been nearly 72,000 completed inspections:
 - **Building:** 26, 478
 - **Zoning:** 8,705
 - **Weights and Measures:** 9,306
 - **Right of Way:** 11,150
 - **Environmental:** 1,347 (Air-596, Forestry- 491, Illegal Dumping- 260)
- **High Weeds and Grass (HWG)**- Division of Inspections oversees the HWG program, which abates violations on neglected properties. As of September 21, DCE inspectors have conducted over 15,600 HWG investigations and vendors have moved over 9,400 properties. Planning for the 2011 HWG program is already underway.
- **Unsafe Building Program/Emergency Response Leadership Team (ERLT)**- Responds to reports of unsafe structures that may require emergency demolition. The ERLT has conducted 37 investigations for potential emergency demolitions, resulting in 18 emergency demolitions.



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Zoning Investigation Cases





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Department of Code Enforcement

2011 Goals

- Realign staff and resources to create more efficient bureaus
- Hire additional staff to normalize inspection times on zoning investigations
- Protect the taxpayer from increasing property insurance rates by working with the Insurance Services Office (ISO) and participating in an evaluation of services.
- Continue compliance efforts for business licensing, including such measures as regular business license sweeps
- Continue to identify and develop nuisance cases for referral to the Office of the City Prosecutor
- Rewrite of the Special Events Ordinance, impacting such events as NCAA and Super Bowl
- Implement Accela Business License module which will allow for the automation of business processes, transparency and general efficiency by removing manual processes
- Implement the Certificate of Occupancy
- Implement a fully mobile field staff (Zoning Inspectors)
- Perform inspections for Nuisance Abatement and Business Licensing
- Continue to issue pre-payable citations for work being performed by unlicensed/unlisted/unregistered contractors



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2011 Department Proposed Budget Funding Sources

Funding Source	2011 Proposed	Percent
<u>Grants</u>		
FEMA	\$ 122,500	1%
<u>User Fees & Charges</u>		
License Fees	\$ 1,479,094	10%
Permit Fees	\$ 8,922,894	66%
Administrative Fees	<u>\$ 3,088,627</u>	<u>23%</u>
	\$13,613,115	100%
<u>Taxes</u>		
Property Tax Allocations	<u>\$0</u>	<u>0%</u>
Total 2011 Funding	\$ 13,613,115	100.0%



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2011 Department Proposed Budget Uses

Character	2008 Actual	2009 Actual	2010 Projected Spend	2011 Proposed	Difference
010 Personal Services	5,931,705	6,135,775	6,200,435	8,086,332	1,885,897
020 Materials & Supplies	56,414	45,860	67,288	101,353	34,065
030 Other Services & Charges					
	7,192,180	5,641,186	5,548,706	4,295,318	-1,253,388
040 Properties & Equipment	634,355	35,991	107,841	268,578	160,737
050 Internal Charges	<u>1,238,662</u>	<u>1,229,818</u>	<u>1,062,005</u>	<u>962,797</u>	<u>-99,208</u>
Total	\$15,053,316	\$13,085,630	\$12,986,275	\$13,714,378	\$728,103
Full Time Employees			156.5	175.5	19



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DCE Budget Highlights

Personal Services

Additional staff added to right-size the department:

Division of Administration, Logistics, Licenses, and Permits (4 FTE)

- Bureau of Logistical Services-1 (management)
- Bureau of License and Permit Services- 1 (management)
- Bureau of Administration and Financial Services- 1 (contract administration)
- Division Administrative Assistant- 1

Division of Inspections (15 FTE)

- Bureau of Environmental Services- 1 (management)
- Bureau of Construction Services- 1 (management)
- Bureau of Property Safety and Maintenance- 13 (management, inspectors, and seasonals)

**Vacant positions held open for 2010 Spending Plan may also be filled*

Other Services and Charges

- Recording process simplified creating a reduction in cost
- Reduction in plan review expense
- Contract management of towing
- Technology funding
- High Weeds and Grass vendor funding

Office renovation to accommodate changes in staffing Properties and Equipment

- Vehicle Replacement Program

Internal Charges

- Reduction in cost due to mobile office staff